



STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

Matt Blunt, Governor • Doyle Childers, Director

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MEMORANDUM

Date: January 10, 2006

To: Land Reclamation Commission

From: Mike Larsen, Chief, Projects and Inspection Unit (original signed by Mike Larsen)

Subject: Coal Bond Forfeiture Status Update

Since the last update provided to the commission on November 16, 2005, the bond forfeiture staff has continued to conduct on the ground inspections and evaluations of bond forfeiture sites. In addition, the staff has been working with contractors in order to complete needed repairs and maintenance at various forfeiture sites around the state.

The following is a brief summary for the commission's information as to the work progressing and/or completed since the November meeting:

Riedel Energy, Inc. – Monroe and Ralls counties:

Rock placement (erosion control) and pond repairs (principal spillway replacement) to two ponds on permit # 1989-03 and permit #1987-02 has been completed. The ponds are currently being watched to ensure the water level will be adequate and stable prior to a presentation to the commission for release.

Universal Coal and Energy Co., Inc. – Mine #4 (Permit #1983-19) – Howard county

Work was completed with respect to rock placement for erosion control and a principal spillway replacement for one pond. This work was conducted within permit #1983-19 at the north end of the minesite. In addition to the above work, an application of agricultural lime was also completed on the pasture areas. All work is now deemed to have been completed by the staff. This permit contains sixty (60) acres of mined land and will be presented for liability release to the commission at the January 26, 2006 meeting.

Burbridge Coal Co. – Monroe county

Work was completed on the installation of a significantly sized plunge pool or energy dissipater at the outlet of a large pond. This work eliminated a serious erosion problem which existed at this discharge point. Currently, there still exists two significant gullies which are in need of repair and also the pond discharge tube itself requires repair. The plan for these repairs is being worked on by staff and the contract for repairs is expected to be awarded in the spring of 2006.

Projected Work Plans for 2006

The staff is currently developing plans to continue work on Universal Coal and Energy's mine #4 in Howard county. Erosion repairs are seen as the most prominent aspect of the work needed. This work will continue during the first half of the coming year with areas presented to the commission for liability release as the work is completed. It is anticipated that all areas of mine #4 will be presented to the commission for release during the coming calendar year.

Maintenance work is planned at the Bill's Coal minesite in southwest Missouri related to gully repair and diversion of additional water to a final pit impoundment. It is currently planned to complete this work during this spring or early summer as weather and time allow.

Maintenance work is anticipated during the next few months related to Missouri Mining's Pit 14 South with respect to rock placement and also for Missouri Mining's Pit 15 emergency spillway and rock armoring of 2 gullies. In addition, a monitoring well will be removed at Missouri Mining's Pit 12.

Reclamation assessments will be performed on the Riedel Energy Co. Perry mine in northeast Missouri near Mark Twain lake. This is an extensive minesite and will more than likely be the focus of the bond forfeiture staff with respect to maintenance work during calendar year 2007.